

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Sher Analyst: Christy Keith Bill Number: SB 2015

Related Bills: None Telephone: 845-6080 Amended Date: 6/20/2000

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Charitable Fundraising

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 10, 2000 STILL APPLIES.

☒ OTHER - See comments below.

### SUMMARY OF BILL

This bill would create several new provisions applicable to a charitable corporation or trustee, commercial fund-raiser, fundraising counsel, or coventurer (charitable organization). It would establish new fees and civil penalties to be applied in the case of specified violations of the Uniform Supervision of Trustees for Charitable Purposes Act (the Act).

This bill would allow the Attorney General (AG) to refuse to register a charitable organization or to revoke or suspend a charitable organization if that entity violates any provision of the Act.

The bill's provisions are addressed by this analysis only as they impact the department.

### SUMMARY OF AMENDMENT

The June 20, 2000, amendments changed the section that imposes a civil penalty, not to exceed \$10,000, for violation of the specified provisions of the Act with intent to deceive or defraud any charity or individual. The amendments specify that the person would not be liable for the civil penalty if the person violated one of four specified provisions dealing with annual reports and registrations/renewals, did not receive reasonable notification of the violation, and was not given a reasonable opportunity to correct the violation. Also, recovery of the civil penalty would preclude assessment of the late fee also being enacted by this bill.

The May 31, 2000, amendments made some minor changes to actions for which, if the charitable organizations performs or fails to performs them, a late fee or an additional fee may be assessed.

### Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

### Legislative Director

### Date

Johnnie Lou Rosas

7/6/00

The department's analysis of the bill as amended April 10, 2000, raised an implementation concern about whether a charitable organization for which the AG refuses to register or revoke or suspend registration would become an inactive organization. The AG's office has indicated that it would consider the organization inactive and would notify the department as it does for all other inactive organizations, thus resolving the department's implementation concern.

Except for the discussion in this analysis, the department's analysis of the bill as amended April 10, 2000, still applies.

BOARD POSITION

Pending.